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UNITED STATES DEPARTMENT OF AGRICULTURE

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Contribution from the Office of Markets and Rural Organization, CHARLES J. BRAND, Chief

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A SYSTEM OF ACCOUNTS FOR COTTON WAREHOUSES.

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INTRODUCTION.

The warehouse receives cotton for the account of another party, provides the owner with a proper place for conserving his product, and gives its receipt as evidence that the cotton has been stored. Upon the integrity and financial standing of the warehouse which issues this receipt depends the value of the receipt, and it should be the desire and aim of every warehouseman to give his receipt its utmost value.

The efficiency of a cotton warehouse depends in a very large degree upon its methods of keeping accounts and records of its transactions. The general use of a simple, concise system of accounts, comprehensive enough to fill the needs of the larger as well as of the small warehouse, would be a step toward the adoption of a standardized system of cotton-warehouse accounting.

To attempt to fill the need for a satisfactory system of accounts capable of general use, to suggest forms of warehouse receipts which

NOTE.—This bulletin should be of special interest to all cotton warehousemen and of general interest to their patrons and to those who are concerned in the reliability of warehouse receipts.

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can be recommended for the use of cotton warehouses, and to promote the general use of uniform receipts are the aims of this bulletin. It describes a simple system of accounts for the use of cotton warehouses, which will be found comprehensive enough to meet the requirements of any organization which does only a cotton warehousing business.[1] A complete set of forms is shown and their use explained. More complex organizations, such as compresses which conduct a warehouse business or warehouses that maintain various other departments, of necessity will be compelled to enlarge upon a system of this character, but an effort has been made to have the primary ideas practicable even for such organizations. The best features of the systems already in use have been combined into this system, which has been tried out under commercial conditions.

Simplicity in any system of accounts is desirable, so that rapidity in handling may be attained without sacrificing accuracy, and the plan must be such that any data desired are quickly available. Information may be needed in regard to a certain lot of cotton or a certain outstanding receipt; about a specific bale in a remote corner of the warehouse or the exact number of bales a certain patron may have in storage. The records should be such that any one, or all, of these inquiries may be answered immediately. All of the forms used should be interlocking, so that if one fact is known full particulars may be obtained by a reference to that fact.

DESCRIPTION OF THE SYSTEM.

As this bulletin is intended to be sufficiently complete to enable a warehouseman to install the system, a detailed description of the forms comprising it is essential. The complete system includes the following twelve forms, which will be described in the order of their use:

(1) The tag; (2) the certificate of inspection; (3) A, B, C, D, or E), the warehouse receipt; (4) the consecutive tag record; (5) the individual account record; (6) the location book; (7) the outturn order; (8) the daily report; (9) the cash journal; (10) the cash disbursement ticket; (11) the cash receipt ticket; (12) the sale ticket.

THE TAG.

Various methods are in use in cotton warehouses for the identification of the bales, but by far the most successful, and the one most generally used, is that of the numbered tag, supplemented by a record of the owner's private mark. Form 1 (page 14) shows a form of tag that is recommended. In every instance the tag should be made of reasonably heavy waterproof paper or of linen. Double eyelets with

[1] Many warehousemen doing a small business find it convenient and profitable to deal in various commodities during the spring and summer, when there is little demand for storage. For this reason provision has been made for this class of business in the system of accounts described herein.

an extra reinforcement strip are desirable, and a double flexible wire, preferably copper, for attaching the tag will give the best results. The tags should be numbered consecutively and used in numerical sequence throughout the season.

The selection of the tag to be used should be made with great care, as it is to become the principal means of identification of the cotton when the bale is in the warehouse. A tag of poor quality, improperly fastened to the bale with a single small steel wire, may be easily pulled or rubbed off the bale in handling or lost by the rusting of the wire. Numerous instances have occurred where the tag, even when securely fastened to the bale with a single small steel wire, has been twisted off by the action of the wind. Much trouble is caused by such a loss, especially if more than one bale is affected.

In order to provide against this contingency it is recommended to the warehouseman that he invariably take an accurate record of the customer's private marks that appear on the bale. This record will be of great assistance when it becomes necessary to establish the identity of the cotton.

Attention is called to the double eyelets and the extra reinforcing strip on the tag. These features make it especially desirable, for it is possible to tear the greater part of the tag away and still leave between the wires this strip which contains the number and thus serves the chief purpose of the tag.

It is advisable to have the tag made with the detachable coupon (see Form 1), especially when the warehouse furnishes a sample from the bale, as the coupon, which should be numbered to agree with the tag, may then be torn off, and placed inside the sample to identify it. Some warehousemen furnish a sample to the customer, and retain one at the warehouse. Where this is done the tag should have two coupons.

THE CERTIFICATE OF INSPECTION.

The certificate of inspection, (Form 2, page 15,) is a signed certificate from the weigher and grader, showing that he has tagged, weighed, graded, and inspected the bale or bales of cotton. On it is to be detailed the following data:

(1) The depositor's name and address; (2) the tag number; (3) the owner's marks; (4) the weight; (5) the grade; (6) the standard of classification used; (7) the length of staple; (8) the condition of the cotton; (9) the signature of the weigher and grader.

The sheets should be arranged in pads in order that a carbon copy of each certificate may be made. The lines of the forms in the "tag no." column may be numbered in advance with at least the last numeral of the tag numbers, in consecutive order. This will facilitate the filling in of the tag numbers and will secure numerical sequence. Attention is here called to the fact that the certificate is not the warehouse receipt, and should not be used as such. However, it may be

given to the depositor, in addition to the receipt, as his private memorandum. Often it is not possible to weigh or grade the cotton immediately upon its arrival at the warehouse, and the owner may be unwilling to wait for his receipt until this is done. In this event the certificate may be issued subsequently, and the original attached to the receipt. The carbon copy of the certificate is to be used only as a record of the warehouse, and is for the information of the officer writing the receipt, who after noting upon it, in the place provided for that purpose, the numbers of the receipts which cover the cotton listed upon it, files it away, in numerical order.

A convenient size for the certificate is 7 by 9⅜ inches with ¼-inch ruling.

THE WAREHOUSE RECEIPT.

Many forms of receipts are in use in cotton warehouses, and no attempt is made to give forms here that would conform to the ideas of all warehousemen. The receipts shown embody all of the requirements of the United States warehouse Act, which is especially designed to increase the value of the warehouse receipt as collateral, with the exception of the statement that the receipt is issued subject to the United States warehouse Act and other special terms or conditions which might be required by the Secretary of Agriculture for the purposes of that act, which would of course be required only on receipts issued by warehouses licensed thereunder. The terms and conditions of receipts required by the Uniform Warehouse Receipts Act, which has been adopted by 32 States, Alaska, the District of Columbia, and the Philippine Islands, are substantially the same as those of the United States warehouse Act, except that the latter adds somewhat to the requirements embodied in the former.

The following data are required in the issuance of warehouse receipts, under the United States warehouse Act and must be embodied within the written or printed terms of such receipts, as set out in section 18 of the act:

(*a*) The location of the warehouse in which the agricultural products are stored.

(*b*) The date of issue of the receipt.

(*c*) The consecutive number of the receipt.

(*d*) A statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order.

(*e*) The rate of storage charges.

(*f*) A description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification, and the weight of such bales or packages.

(*g*) The grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law.

* * * * * * *

(*h*) A statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder.

(*i*) If the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership.

(*j*) A statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient.

(*k*) Such other terms and conditions within the limitations of this act as may be required by the Secretary of Agriculture.

(*l*) The signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (*g*) of this section may be issued if it have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

Compliance with all of the conditions of receipts issued under the United States warehouse Act is not obligatory unless warehousemen operate under that law.

Either a negotiable or a nonnegotiable receipt may be issued and it may be well to explain the two types. A negotiable receipt must state either that the goods received will be delivered to the bearer, or that they will be delivered to a specified person or his order. A receipt in which it is stated, either that the goods received will be delivered to the depositor only, or that they will be delivered only to a specified person named in the receipt, is not negotiable.

A nonnegotiable receipt should always bear the words "Non-negotiable" or "Not negotiable" written or printed upon its face. Form 3D (page 21) shows a form of nonnegotiable receipt.

In the case of a lost or stolen receipt, if another is issued, the word "Duplicate" should always be marked across its face, and usually a bond is required in order to protect the warehouseman from loss in case of the reappearance of the original receipt. The practice in this and other transactions in connection with the receipt necessarily must vary in accordance with the State laws on the subject, and every warehouseman must be careful to comply with the applicable law of the State or other jurisdiction in which he operates.

There is a wide variance of opinion among warehousemen as to the relative merits of the one-bale and the multiple-bale forms of warehouse receipts. The tendency in many of the well-organized warehouses seems to be toward the use of the one-bale receipt, and in most cases this form seems to be preferable to the multiple-bale form. There are arguments both for and against this form. The fact that the one-bale type requires more work in its issuance is balanced by its desirability in the event that a person desires to sell or transfer only one or a few bales out of a lot that would otherwise be

covered by a single receipt. Also the issuance of a separate receipt for each and every bale stored gives less opportunity for altering the receipt.

Form 3C (page 19) shows a form of multiple-bale receipt. There are occasions when this form is the more desirable than the one-bale type of receipt. When this multiple-bale form of receipt is used the original certificate of inspection is to be attached. Form 3E shows another form of multiple-bale receipt, in which the description of the bales is shown on the face of the receipt rather than on the attached certificate of inspection.

The wording of the receipt in regard to the guaranty of the grades, weights, and lengths of staple may be altered to fit the practices and policies of the various warehouses by which they are issued. However, the nearer the wording approximates an absolute guarantee of these qualities by the warehouse, the greater will be the value of the receipt. While it is true that warehouses in many instances attempt to disclaim responsibility for the descriptions they have given on the receipt it must be remembered that the persons to whom the receipts may be transferred should be protected in accepting these descriptions.

Many warehousemen guarantee their descriptions at least within reasonable variations, while some guarantee them to be absolutely correct. By so doing, these warehousemen furnish a receipt which is most acceptable as collateral. In some instances, a special charge is made for this guaranty, usually one-sixteenth of a cent per pound on the cotton, while in others the service is given without additional charge.

All receipts should be bound in book form, preferably 100 to the book, numbered consecutively, and arranged so as to allow the making of a carbon copy. This carbon copy should be plainly so marked, and should be used only for the purpose of record in the office. Some warehousemen require the depositor to give written acknowledgment of receipt for all original warehouse receipts issued. The form of the acknowledgment may be printed on the face of the carbon copy of the warehouse receipt. In case a large number of warehouse receipts are issued to one person, some other method of acknowledging receipt may be used, so as to avoid the inconvenience of a large number of signatures.

Form 3B (page 18) shows a form for the carbon copy of the negotiable receipt, one-bale type.

Upon the return of the warehouse receipts and the delivery of the cotton, the receipt should be plainly marked "Canceled" across its face. Canceled receipts should be safely filed away by a system that will make it easy to refer to them if necessary. Some warehousemen paste them back into their original places in the books, which makes them readily accessible. Others place them, with all

papers in connection with the lot of cotton they represent, in an envelope, which is filed. Either of these methods is satisfactory, or the warehouseman may select any convenient method.

THE CONSECUTIVE TAG RECORD.

After the receipt is written, the next step in the operation of the system is the posting of the desired data in the consecutive tag record. (See Form 4, page 24.) This form is printed on sheets to be filed in a loose-leaf binder. The lines are numbered to agree with the tag numbers used by the warehouse, in consecutive order throughout. Thus it will be seen that when this book is posted from the data shown on the carbon copy of the receipt, a record of each bale is immediately available, because of the consecutive numbering of the individual bales as identified by the tag numbers. The size of the sheets should be 8 by 15 inches with $\frac{1}{4}$-inch ruling.

The following information is given in the consecutive tag record: (1) The tag number; (2) the marks of the bale; (3) the name of depositor; (4) the date received; (5) the receipt number; (6) the location in the warehouse; (7) the date of delivery.

As the date of the delivery of the cotton out of the warehouse is always posted in the "Date-of-delivery" column, it is apparent at all times just which bales remain in storage.

THE INDIVIDUAL ACCOUNT RECORD.

It is advisable to have an account with each depositor, and this arrangement will be found to be useful in various ways as explained below. The individual account record (see Form 5, page 25) also is to be used in a loose-leaf binder. The accounts are filed alphabetically by the names of the depositors, alphabetical index sheets being used in the book, and the data for posting are obtained either from the carbon copies of the receipts or from the filed copies of the certificates of inspection. The sheets should be 8 by 15 inches in size with $\frac{1}{4}$-inch ruling and should provide for the following data:

(1) The date of receipt; (2) the receipt number; (3) the weight; (4) the grade; (5) the length of staple; (6) the tag number; (7) the date of delivery; (8) the number of months in storage; (9) the amounts of different charges; (10) totals; (11) accrued charges.

The principal advantage to be gained by the use of this form is that the record of each depositor's cotton is concentrated at one place on the books, and the number of bales on hand is readily apparent. This point will be appreciated by the warehouseman who deals with a large number of customers who are constantly requesting information in regard to small lots of cotton belonging to them. If the record is not in this form it is necessary to look over the entire tag record, with the attendant possibility of mistakes. In addition to this point, if the totals of accrued charges are brought up to date

in the "Accrued charges" column, the monthly earnings of the warehouse are always in view. It is customary for the warehouse company to carry all charges until the cotton is taken from the warehouse. Nevertheless the company is earning revenue during the entire time that the cotton is in store, and monthly earnings should be ascertained. With all of the other charges stated, it is necessary only to compute the storage and insurance from the basis rate, to total the amounts, and to enter the sum in the column reserved for the month desired, which accounts for all of the recorded cotton remaining at the time on the page, in one operation.

The five forms described above comprise the essentials of a system of cotton-warehouse records, but the location book and the other forms described below will be found to be of great value when used in conjunction as auxiliary forms.

THE LOCATION BOOK.

The location book, a page of which is shown herewith (see Form 6, page 26), is designed to show the exact location of each bale in the warehouse, and its use will greatly facilitate the handling of cotton. Warehouses which are composed of several compartments will find its use especially beneficial, and it is essential in the smaller warehouses having a large number of customers.

In houses of the latter class there are frequent requests to locate cotton either for the purpose of procuring samples or for turning out of the warehouse. When the bales are placed in the compartment in no regular order, and no record is kept of their location, this service usually entails long search, with loss of valuable time, while with a properly kept location book the difficulty is entirely eliminated.

If a tag has been lost from a bale in a compartment, the book will aid in identifying the bale. A reference to the book will show what bales are in the compartment or row, and by checking and eliminating the bales found with tags it is a comparatively easy matter to determine the identity of the bale from which the tag has disappeared.

All changes in the location must be recorded, and it is advisable to have the book of such shape (a convenient size is 4 by 9½ inches) that it may be carried by the "outside" man at all times. The lines in the book are numbered consecutively throughout according to the tag numbers in use by the warehouse, and the sheets are ruled to show, besides the tag number, the exact location as to house, section, and tier, and the date of removal. An extra column is provided for any change which may be made in location

THE OUT-TURN ORDER.

The out-turn order (Form 7, page 27) is a signed order from the office to the "outside" man to turn out and deliver from the ware-

house certain bales of cotton. This order is not written until the return and cancellation of the receipt and the application of the depositor or the holder of the receipt for delivery of his cotton. The tag numbers and marks of the bales to be delivered are listed upon the order, which serves as a checking list by which the "outside" man may check out the cotton.

A form of receipt, to be signed by the party receiving the cotton from the warehouse, is also provided. After checking out the cotton and obtaining the signature to the receipt, the "outside" man signs the statement that the work has been done as ordered and returns the order to the office.

The accumulated orders should be held until the close of the day in order to determine the number of bales delivered from the warehouse on that date for use in making out the daily report, after which they may be filed in date order for future reference.

A convenient size for these sheets is 6 by 8½ inches, and they should be arranged in gummed pads.

THE DAILY REPORT.

Form 8 (page 28) is a form of daily report for the use of managers of warehouses. By keeping this record properly an accurate knowledge of the conditions and activities of the warehouse will be maintained, and the manager will have at his disposal a great deal of information that will enable him to conduct the business more intelligently. He will know from day to day the amount of cotton in store, the amount of insurance that it is necessary to carry, the cost of labor, the per-bale cost of handling, the daily expenditures, and the cash receipts.

In making this report the number of bales received by the warehouse is determined by reference to the "consecutive tag record," and the "out-turn" orders of each day's business should not be filed until after the report is made, so that the number of bales turned out of the warehouse may be ascertained. If the totals are carried forward from day to day, the difference between the in and out columns should be the number of bales in the warehouse, any exceptions being provided for. The insurance report and the labor, collections and disbursements records are self-explanatory.

A convenient size for the daily report sheet is 8 by 10½ inches.

CASH JOURNAL.

The cash journal (Form 9, pages 29 and 30) is provided for the purpose of recording the charges and credits which are later to be posted to the various accounts in the ledger. This form is used as a double page, the charges being in columns to the left of "Items" column and the credits in columns to the right.

The debit columns of this form are designated as follows:

Folio.	General ledger.	Grading.
Cash.	Accounts receivable.	Weighing.
Bank deposits.	Miscellaneous expenses.	Insurance.

In the "cash" column are recorded all the receipts of cash as they occur. The total is deposited when convenient and entered in the "bank deposits" column in the exact amount of the deposits made. At the end of the month the "bank deposits" column will furnish an itemized statement of the deposits and will give a record of the total receipts for the period. The deposits plus the cash balance from the previous month, which should be entered at the head of the "bank deposits" column, constitute the total debit to cash for the month. The most satisfactory method is to require a statement of account from the bank at the end of each month and to reconcile the cash to that statement.

When it is necessary to pay small items of expense in cash, a check should be drawn to "petty cash" in order to establish a fund out of which such payments can be made. This amount should be charged to "petty cash" account in the ledger. At the end of the month the total amount of such expenditures should be credited to "petty cash," and be charged to the proper expense accounts. At the beginning of the next month the fund can be renewed by drawing a check to "petty cash" for the amount of the previous month's expenditures.

All entries of general accounts not classified under separate headings should be carried in the "general ledger" column and should be posted to their respective accounts in the ledger from that column. Charges to customers for services or material should be entered in the "accounts receivable" column and be posted to the customers' accounts in the ledger.

Under "Miscellaneous expenses" should be entered all items not otherwise classified.

In order that the warehouse may know its position in regard to weighing, grading, and insurance, these items are carried under separate headings and the totals are posted to these accounts at the end of each month.

The credit columns are designated as follows:

Folio.	Accounts receivable.	Storage.
Check No.	Weighing.	Insurance.
Bank withdrawals.	Grading.	Miscellaneous.
General ledger.		

All checks issued should be listed by their numbers in the "check no." column and the amounts entered in the "bank withdrawals" column.

The difference between the totals of the "bank deposits" column and the "bank withdrawals" column is the available balance of cash in bank.

The "general ledger" column is used for the purpose of crediting the accounts debited through the "general ledger" debit column.

All payments on accounts receivable are entered in the "accounts receivable" column and from there posted to the credit of the proper individual accounts in the ledger.

The columns headed "weighing," "grading," "storage," and "insurance" receive credits to these accounts, the totals for the month or other period being posted to the respective accounts in the ledger.

Miscellaneous credits are entered in and posted from the "miscellaneous" column, and sales of material can be credited in the blank columns at the right under their appropriate headings. The monthly totals of these columns are then posted to their respective accounts in the ledger.

The size of this form should be 11 by 14 inches with $\frac{1}{4}$-inch ruling.

THE CASH DISBURSEMENT TICKET.

All expenditures of petty cash should be recorded on "cash disbursement" tickets (Form 10, page 31) which should be kept as petty cash vouchers.

THE CASH RECEIPT TICKET.

All receipts of money other than checks should be recorded upon a "cash receipt" ticket (Form 11, page 31). The practice of receiving scrip or coin without making a record of the transaction at the time of receipt often leads to discrepancies which are difficult to account for later.

THE SALE TICKET.

In warehouses handling supplies, all sales should be recorded on duplicate sale tickets, the originals being given to the customers and the duplicates retained for record in the books of account.

These sale tickets are similar to those used in any merchandising business and can be either printed specially or secured in stock form. Form 12 (page 31), is a form of sale ticket suitable for general use.

OPERATION OF THE SYSTEM.

In order to explain fully the operation of the system it may be well to follow the various steps as they occur in the process of warehousing a lot of cotton.

When the cotton arrives at the warehouse the weigher and grader first tags the bales with consecutively-numbered tags in the series then current. He then weighs, grades, and staples each bale, examines it for moisture or damage, and records the data upon the "certificate of inspection," making an original and one carbon copy. Both original and copy are then sent to the office, where the receipt is written from the data on the certificate. The original certificate is attached to the receipt only in case the form of receipt shown in Form 3B is used. If any of the other forms of receipt is issued the original certificate may be given to the storer. In every case the carbon copy of the certificate of inspection is filed in the consecutive order of the numbers on the tags, after there has been noted upon it the numbers of the receipts covering the cotton listed on it.

The receipt is now issued, and a full entry of the details required is posted to the "consecutive tag record" from the carbon copy of the receipt, against the corresponding tag numbers. Then the "individual account record" is posted from the carbon copy of the receipt, and given its alphabetical position in the binder. The amounts of the various fixed charges are posted in their respective columns.

In the meantime the cotton has been removed to its proper place in the warehouse and its location has been recorded in the location book. At some time during the day this book is taken to the office so that a proper entry of the location of the cotton may be made in the column provided for it in the consecutive tag record.

The operation is now completed except for the making of the daily report and the monthly determination of the amount earned on the lot of cotton while in storage.

Later, when the receipt is presented for delivery of the cotton, and it is found that the receipt is properly indorsed, and that a tender of all charges and advances has been made, the out-turn order is made out and delivered to the "outside" man. By referring to the location book the cotton is readily located. The bales are checked out and delivered according to the order, and a receipt is taken which shows to whom delivery was made. The "outside" man then signs the statement that the work has been performed as ordered, and the order is returned to the office. The date of delivery is then recorded in the columns provided for it. (See Forms 4 and 5.)

The returned receipt is conspicuously marked "Canceled" across its face and filed away. The accumulated out-turn orders are held until the close of the day, when they are used in determining the number of bales delivered from the warehouse. Proper entries are made on the tickets provided for the purpose, of the money received

for storage and other charges, and of disbursements, and the necessary entries are made on the cash journal and posted to the ledger, as explained above.

ARRANGEMENT OF BALES IN THE WAREHOUSE.

The ideal arrangement from the standpoint of economy in handling, as well as insurance, is to stand the bales on end one bale deep. This arrangement necessitates a much larger floor space than is usually available; in case floor space sufficient for this arrangement is not available, stacking becomes necessary. In storing the bales, it is always advisable to arrange them so that the tag on each bale will be in sight.

If the bales are stacked, they may be arranged in "workway" formation, that is, beginning at one side a row should be placed, then a space should be left for a narrow aisle; then a double row and an aisle; another double row, and an aisle; and so on.

When cotton is stored on dirt floors, and even on brick or concrete floors, it is always advisable to stack the bales on wooden skids or stringers in order to raise the cotton from the floor and thus allow a circulation of air. Much damage may be avoided by this practice, especially when the cotton is placed in the warehouse while not absolutely dry or where the proper care is not taken to provide perfect drainage.

CONCLUSION.

The various operations necessary in using the Office of Markets and Rural Organization cotton warehouse accounting system have been outlined very briefly in the foregoing pages. The adoption of a uniform system of accounting for cotton warehouses should be of great benefit to warehousemen and to the public who utilize storage facilities. The system herein outlined will present to the warehouseman at all times a true and concise record of the operations of the warehouse, and the simplicity of its arrangement makes this record immediately available. The depositor has in his receipt every item of information in regard to his cotton that the warehouseman retains on his records, and this should enable the parties to avoid all misunderstandings in this respect.

The negotiable receipts shown in this system have been devised after careful study, and their requirements and conditions are designed to increase negotiability. Lack of uniformity, especially in receipts, under present conditions makes it impossible for the small warehouse of moderate means to issue a receipt that will be readily acceptable as collateral for loans outside of a limited local field. The main purpose of the United States warehouse Act enacted August 11, 1916, is to give to the warehouse receipt the greatest possible value as collateral. The form of receipt shown here embodies the prin-

cipal requirements of this act and it also conforms to the essential features of the Uniform Warehouse Receipts Act, which has been adopted by 32 States, Alaska, the District of Columbia, and the Philippine Islands.

For the convenience of those interested in the system described in this bulletin and for those who desire to have the various forms printed, the Department of Agriculture, through the Office of Markets and Rural Organization, will supply, without cost, printers' copies of the several forms used in this system. Warehouses installing the system may refer to this office any questions regarding its installation or operation. When it is possible to do so, the Office of Markets and Rural Organization will render such assistance as may be required in making minor changes in the receipt or in other forms, to meet local conditions.

O. M. & R. O. Cotton Warehouse System,
Form No. 2.

DOE WAREHOUSE.

(Town) (State)

Date ..... *191*..

CERTIFICATE OF INSPECTION.

(This is not a warehouse receipt.)

Inspected for M..... of .....

Upon inspection of each bale of the following described cotton, covered by warehouse receipts No. ..... to ....., inclusive, as identified by its tag number stated below, I certify that I find it to be of the marks, weight, grade (according to the official cotton standards of the United States unless otherwise stated hereon), length of staple, and condition set opposite thereto on the same line in the next succeeding columns designated "Marks," "Weight," "Grade," "Length of Staple," and "Condition."

Tag No.	Marks.	Weight.	Grade.	Length of Staple.	Condition.	Tag No.	Marks.	Weight.	Grade.	Length of Staple.	Condition.	Tag No.	Marks.	Weight.	Grade.	Length of Staple.	Condition.
1						1						1					
2						2						2					
3						3						3					
4						4						4					
5						5						5					
6						6						6					
7						7						7					
8						8						8					
9						9						9					
0						0						0					

(Signed)_____
Weigher and Grader.

ORIGINAL
NEGOTIABLE

DOE WAREHOUSE.
(Town.) (State.)

RECEIPT No. .....
DATE.....

INCORPORATED UNDER THE LAWS OF..... PAID IN CAPITAL STOCK $.....

WAREHOUSE RECEIPT
FOR
ONE BALE OF COTTON

RECEIVED FROM....., of..... on....., 191..
the below described one bale of cotton for storage by the Doe Warehouse in its warehouse located at _____ (Town), _____ (State),
subject to the conditions hereinafter set out. Said bale of cotton is identified by the tag numbers and marks, and, subject to reasonable variations and concealed defects, is of the weight, grade (according to the official cotton standards of the United States, unless expressly stated otherwise), length of staple, and condition set out below.

TAG NO. ..... MARKS..... WEIGHT..... GRADE..... LENGTH OF STAPLE..... CONDITION.....

Said cotton is....under shelter and....exposed to the weather, and is fully insured against loss or damage by fire unless otherwise stated on the face of this receipt.

The Doe Warehouse claims a lien on said cotton for charges, advances made, and liabilities incurred as follows: Storage from date of receipt of cotton at the rate of.....per month or fractional part thereof..... .....
Insurance from date of receipt of cotton at the rate of ..... per month or fractional part thereof..... .....
Weighing..... .....
Grading..... .....
Stapling..... .....
Freight charges..... .....
Money advanced..... .....
Miscellaneous..... .....

OM & RO Cotton Warehouse System, Form No. 3A.

Upon return of this receipt properly indorsed and the payment of all charges, advances, and liabilities thereon, the cotton described herein will be delivered immediately to.....or his order.

(Signed).....

Per.....

(Title.)

INDORSEMENTS.

STATEMENT OF LIENS.

I hereby certify that, other than the following, there are no liens or mortgages against the cotton described on the face of this receipt.

(Signed) ---

Witness: ---

Reverse side Form No. 3A.

COPY
NOT NEGOTIABLE
INCORPORATED UNDER THE LAWS OF.....

DOE WAREHOUSE.
(Town) (State)

RECEIPT NO. .....
DATE.....
PAID IN CAPITAL STOCK $.....

WAREHOUSE RECEIPT
FOR
ONE BALE OF COTTON.

RECEIVED FROM ....., of....., on....., 191..
the below described one bale of cotton for storage by the Doe Warehouse in its warehouse located at _____ (Town), _____ (State),
subject to the conditions hereinafter set out. Said bale of cotton is identified by the tag number and marks, and, subject to reasonable variations and concealed defects, is of the weight, grade (according to the official cotton standards of the United States unless expressly stated otherwise), length of staple, and condition set out below.

TAG NO. ..... MARKS..... WEIGHT..... GRADE..... LENGTH OF STAPLE..... CONDITION.....

THIS IS A CARBON COPY OF THE ORIGINAL RECEIPT AND IS USED AS AN OFFICE RECORD ONLY.[1]

Date....., 191..

RECEIVED of the DOE WAREHOUSE this date the ORIGINAL NEGOTIABLE WAREHOUSE RECEIPT, of which this is a carbon copy.[1]

.....
(Depositor.)

Said cotton is....under shelter and....exposed to the weather, and is fully insured against loss or damage by fire unless otherwise stated on the face of this receipt.

The Doe Warehouse claims a lien on said cotton for charges, advances made, and liabilities incurred as follows: Storage from date of receipt of cotton at the rate of.....per month or fractional part thereof..... .....
Insurance from date of receipt of cotton at the rate of ..... per month or fractional part thereof..... .....
Weighing..... .....
Grading..... .....
Stapling..... .....
Freight charges..... .....
Money advanced..... .....
Miscellaneous..... .....

OM & RO Cotton Warehouse System, Form No. 3B.

Upon return of this receipt properly indorsed and the payment of all charges, advances, and liabilities thereon, the cotton described herein will be delivered immediately to.....or his order.

(Signed).....

Per.....
(Title.)

[1] In printing for actual use, this statement should be printed transversely across the face of the copy.

ORIGINAL
NEGOTIABLE

DOE WAREHOUSE

(Town.) (State.)

RECEIPT No. _____
DATE _____, 19__

INCORPORATED UNDER THE LAWS OF _____ PAID IN CAPITAL STOCK $_____

WAREHOUSE RECEIPT
FOR
_____BALE____ OF COTTON

RECEIVED FROM _____, of _____, on _____, 19__
_____ bales of cotton, described in the attached certificate, for storage by the Doe Warehouse, in its warehouse located at _____ (Town.), _____ (State.), subject to the conditions hereinafter set out. Said _____ bales of cotton are identified by the tag numbers and marks, and, subject to reasonable variations and concealed defects, are of the weights, grades (according to the official cotton standards of the United States unless expressly stated otherwise), lengths of staple, and condition set out in the attached certificate.

Said cotton is .... under shelter and .... exposed to the weather, and is fully insured against loss or damage by fire unless otherwise stated on the face of this receipt.

The Doe Warehouse claims a lien on said cotton for charges, advances made, and liabilities incurred, as follows:

Storage from date of receipt of cotton, at the rate of ..... per month or fractional part thereof, per bale	.....
Insurance from date of receipt of cotton, at the rate of ..... per month or fractional part thereof, per bale	.....
Weighing	.....
Grading	.....
Stapling	.....
Freight charges	.....
Money advanced	.....
Miscellaneous	.....

OM&RO Cotton warehouse system, Form No. 3C.

Upon return of this receipt, properly indorsed, and the payment of all charges, advances, and liabilities thereon, the ..... bales of cotton, described in the attached certificate, will be delivered immediately to _____ or his order.

(Signed) _____

Per _____
(Title.)

INDORSEMENTS.

STATEMENT OF LIENS.

I hereby certify that, other than the following, there are no liens or mortgages against the cotton described in the attached certificate.

(Signed)---

Witness:---

Reverse side Form No. 3C.

ORIGINAL
NONNEGOTIABLE

DOE WAREHOUSE.

(Town.) (State.)

RECEIPT NO.....
DATE....., 191..

INCORPORATED UNDER THE LAWS OF..... PAID-IN CAPITAL STOCK $.....

WAREHOUSE RECEIPT
FOR
ONE BALE OF COTTON.

RECEIVED FROM....., OF....., ON....., 191..
the below-described one bale of cotton for storage by the Doe Warehouse in its warehouse located at ....., ..., subject to the conditions hereinafter set out. Said bale of cotton is identified by the tag number and marks and, subject to reasonable variations and concealed defects, is of the weight set out below:

(Town.) (State.)

TAG NO..... MARKS..... WEIGHT.....

Said cotton is .... under shelter and .... exposed to the weather and is fully insured against loss or damage by fire unless otherwise stated on the face of this receipt.

The Doe Warehouse claims a lien on said cotton for charges, advances made, and liabilities incurred, as follows:

Storage from date of receipt of cotton at the rate of ..... per month or fractional part thereof...	.....
Insurance from date of receipt of cotton, at the rate of ..... per month or fractional part thereof.	.....
Weighing	.....
Freight charges	.....
Money advanced	.....
Miscellaneous	.....

Upon return of this receipt and the payment of all charges, advances, and liabilities thereon the cotton described herein will be delivered immediately to

.....

(Signed).....

Per.....
(Title.)

OM & RO Cotton Warehouse System, Form No. 3D.

ORIGINAL
NEGOTIABLE

DOE WAREHOUSE

(Town). (State).

RECEIPT NO. ____
DATE ____ 191__

INCORPORATED UNDER THE LAWS OF ____ PAID IN CAPITAL STOCK $ ____

WAREHOUSE RECEIPT

FOR ..... BALE.. OF COTTON

RECEIVED FROM ____ OF ____ ON ____ 191__

Tag number.	Marks.	Weight.	Grade.	Length of staple.	Condition.	Tag number.	Marks.	Weight.	Grade.	Length of staple.	Condition.

Said cotton is .... under shelter and is .... exposed to the weather and is fully insured against loss or damage by fire unless otherwise stated on the face of this receipt.

O. M. & R. O. Cotton Warehouse System Form No. 3E.

the herein-described ..... bales of cotton for storage by the DOE WAREHOUSE in its warehouse located at ....., ... subject
(Town.) (State.)
to the conditions hereinafter set out. Said ..... bales of cotton are identified by the tag numbers and marks, and, subject to reasonable variations and concealed defects, are of the weights, grades (according to the official cotton standards of the United States unless expressly stated otherwise), lengths of staple, and condition set out herein.

The DOE WAREHOUSE claims a lien on said cotton for charges, advances made, and liabilities incurred as follows:

Storage, from date of receipt of cotton, at the rate of .....
per month, or fractional part thereof per bale ....
Insurance, from date of receipt of cotton, at the rate of
..... per month, or fractional part thereof per bale. .....
Weighing ....
Grading ....
Stapling ....
Freight charges ....
Money advanced ....
Miscellaneous ....

Upon return of this receipt, properly indorsed, and the payment of all charges, advances, and liabilities thereon, the herein described .....bales of cotton will be delivered immediately to.....
..... or his order.

(Signed) .....

Per .....
(Title.)

INDORSEMENTS.

STATEMENT OF LIENS.

I hereby certify that, other than the following, there are no liens or mortgages against the cotton described on the face of this receipt.

(Signed) ---

Witness ---

Reverse side Form No. 3E.

O. M. & R. O. COTTON WAREHOUSE SYSTEM,
FORM NO. 4.

CONSECUTIVE TAG RECORD

Tag No.	Marks.	Depositor.	Date received.	Receipt No.	Location.	Date of delivery.	Tag No.	Marks.	Depositor.	Date received.	Receipt No.	Location.	Date of delivery.
1							4						
2							5						
3							6						
4							7						
5							8						
6							9						
7							0						
8							1						
9							2						
0							3						
1							4						
2							5						
3							6						
4							7						
5							8						
6							9						
7							0						
8							1						
9							2						
0							3						
1							4						
2							5						
3							6						

O. M. & R. O. COTTON WAREHOUSE SYSTEM
FORM NO. 5

INDIVIDUAL ACCOUNT RECORD

STORED FOR _____ ADDRESS _____

Date received.	Receipt No.	Weight.	Grade.	Length of staple.	Tag No.	Date of delivery.	Months in storage.	Storage.	Insurance.	Weighing.	Grading and stapling.	Turning out.	Freight.	Advances.	Total.	Accrued charges.
																January
																February
																March
																April
																May
																June
																July
																August
																September
																October
																November
																December

O. M. & R. O. Cotton Warehouse System, Form No. 6.

LOCATION.

Original.				Transfer.			Out.
No.	House.	Section.	Tier.	House.	Section.	Tier.	
1							
2							
3							
4							
5							
6							
7							
8							
9							
0							
1							
2							
3							
4							
5							
6							
7							
8							
9							
0							
1							
2							
3							
4							
5							
6							
7							
8							
9							
0							
1							
2							
3							
4							
5							
6							
7							

O. M. AND R. O. COTTON WAREHOUSE SYSTEM FORM NO. 7.

OUTTURN ORDER.

Date _____

Turn out of the warehouse and deliver to

_____ B/C

as described by the following tag numbers and marks:

Tag No.	Marks.	✓	Tag No.	Marks.	✓	Tag No.	Marks.	✓

(Signed) _____

_____

Work done as ordered

_____ 19 _ _

_____

Received for _____ from the DOE WAREHOUSE the above checked _____ B/C

(Signed) _____

Per _____

O. M. & R. O. Cotton Warehouse System.
Form No. 8.

DAILY REPORT OF OPERATION

DOE WAREHOUSE, _____ (Town.) _____ (State.)

Date _____

COTTON

IN		OUT	
Received previous to date	.....b/c	Turned out previous to date	.....b/c
Received to-day	.....b/c	Turned out to-day	.....b/c
Total	.....b/c	Total	.....b/c
Exceptions	.....b/c	Number of bales on hand	.....b/c

INSURANCE

Previously carried	$.....	Premiums	$.....
New policies	$.....	Premiums	$.....
Canceled	$.....	Return premiums	$.....
Total to-night	$.....	Net	$.....

LABOR

Paid out for labor this week / month ..... $.....
Number bales handled .....
Cost per bale (cents) ..... $.....

CASH RECEIPTS		CASH DISBURSEMENTS	
Previously reported	$.....	Previously reported	$.....
Received to-day	$.....	Paid out to-day	$.....
Total	$.....	Total	$.....

Balance ..... $.....

REMARKS

This report includes—
Cash receipts No. .... to No. .....
Cash disbursements No. .... to No. .....
Duplicate checks No. .... to No. .....

.....
Warehouseman.

O. M. & R. O. COTTON WAREHOUSE SYSTEM,
FORM NO. 9.

DEBIT.

CASH JOURNAL.

Insurance.	Weighing.	Grading.	Miscellaneous expenses.	Accounts receivable.	General ledger.	Bank deposits.	Cash.	Date.	Folio.	Item.

O. M. & R. O. COTTON WAREHOUSE SYSTEM,
FORM NO. 9.

CREDIT.

CASH JOURNAL.

Folio.	Check No.	Bank withdrawals.	General ledger.	Accounts receivable.	Weighing.	Grading.	Storage.	Insurance.	Miscellaneous.			

O. M. & R. O. COTTON WAREHOUSE SYSTEM.
FORM NO. 10.

CASH DISBURSEMENT TICKET.

No. _____

By _____

Paid to _____ Date _____, 191__

	Amount.	

O. M. & R. O. COTTON WAREHOUSE SYSTEM.
FORM NO. 11.

CASH RECEIPT TICKET.

No. _____

By _____

Received from _____ Date _____, 191__

	Amount.	

O. M. & R. O. COTTON WAREHOUSE SYSTEM.
FORM NO. 12.

SALE TICKET.

Date _____

Sold to _____

By _____

TOTAL SALES		

PUBLICATIONS OF U. S. DEPARTMENT OF AGRICULTURE RELATING TO MARKETING OF COTTON.

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Studies of Primary Cotton Market Conditions in Oklahoma. (Department Bulletin 36.)

Relation of Cotton Buying to Cotton Growing. (Department Bulletin 60.)

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Cotton Warehouses: Storage Facilities now Available in the South. (Department Bulletin 216.)

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Losses from Selling Cotton in the Seed. (Farmers' Bulletin 775.)

Cotton Improvement on a Community Basis. (Separate 579 from Yearbook 1911.)

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